UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Division of Information

and

UNITED STATES DEPARTMENT OF THE INTERIOR
Office of Education, Division of Vocational Education
Agricultural Education Service
Cooperating

UNIT NUMBER 6

Plans for summarizing the economic factors relative to wheat as a means for aiding farmers in analyzing the wheat outlook.

INSTRUCTIONAL OBJECTIVE

To develop the ability of farmers to summarize and apply the economic information relative to wheat as a means of analyzing the wheat outlook and evaluating the wheat-adjustment program.

MATERIALS AND SOURCES

I. Excerpt from mimeographed pamphlet World Wheat Prospects, Bureau of Agricultural Economics, U.S.D.A., November 24, 1934, Pages 9-12:

THE WHEAT OUTLOOK FOR 1935

Since the spring of 1933 wheat prices in the United States have been maintained at unusually high levels relative to world prices. This has been largely the result of two successive years of low production due to poor yields and heavy abandonment of wheat in the United States, but acreage reduction and the removal of surplus wheat from the Pacific Northwest through governmental aid have also tended to increase United States prices relative to world prices. It is much too early to make any forecast of the crop for 1935. Unless abandonment is heavy and yields are again below average next year, the new crop will provide an export surplus and it is to be expected that prices in the United States may be but little above an export basis during most of the 1935-36 season.

Although prices seem likely to be close to an export basis, by no means all of the gains of the last two years will be lost. There has been some improvement in the world wheat situation. Supplies are smaller than last year, and at Liverpool wheat prices in terms of gold are above their levels of last spring. Part of this improvement may be carried over into the next crop season. Furthermore, in terms of the revalued dollar, prices would be increased by about 70 percent even in the absence of any increase

in prices in terms of gold. During the latter part of October at Liverpool, December wheat futures were selling for about 80 cents per bushel in terms of United States currency, while at Chicago prices were about 20 cents per bushel above Liverpool. Prices at Chicago during the 1935-36 season may reasonably be expected to average somewhat below Liverpool rather than above. It is to be recognized, however, that so long as United States supplies do not greatly exceed probable domestic utilization plus a moderate carry-over, small changes in the prospect for supplies may cause comparatively large changes in the margin between prices in the United States and Liverpool. Similarly under such conditions, price relationships may be materially altered by any governmental action that may be taken to dispose of surplus wheat.

Adjustments in world wheat acreage

Such downward readjustment of acreage as has been made since wheat prices began their rapid decline in 1928 has occurred primarily in the United States. Reductions have also taken place in Canada, Argentina, and Australia, whereas Europe as a whole has greatly increased acreage. The increase of acreage in the normally importing countries of Europe has been the result of wheat prices that have been high relative to prices in exporting countries and in the freely importing markets of the world. The relatively high levels in these countries have been due primarily to high tariffs, to the establishment of import and milling quotas, and to other measures that restrict the use of foreign wheat in those countries.

The harvested acreage of wheat in the world, excluding Russia and China, for the crop year 1933-34 amounted to 248,000,000 acres, compared with a high point of 260,000,000 acres in 1930-31 and 259,000,000 in 1932-33. The reduction from 1932-33 to 1933-34 was due almost entirely to the 9,000,000 acre reduction in the wheat area of the United States. In the United States the area harvested has been reduced from a high point of 63,320,000 acres in 1929 to 47,910,000 in 1933, and 42,235,000 acres in 1934. The area planted in the United States declined from 71,137,000 acres for the 1928 crop to 66,969,000 for 1933, and 50,371,000 acres for 1934. Meanwhile, the Canadian acreage harvested declined from a high point of 25,300,000 acres in 1929 to 24,000,000 in 1934; the Australian area harvested, from a high of 18,200,000 acres in 1930-31 to 13,000,000 in 1934-35, and the Argentine acreage sown from a high point of 22,800,000 in 1928-29 to 18,500,000 (preliminary estimate) in 1934-35. Importing countries of Europe, on the other hand, have increased their wheat area from 51,900,000 acres in 1929 to 57,700,000 in 1934, while in the lower Danube Basin the area has remained practically constant at between 19,000,000 and 20,000,000 acres.

The Russian wheat area, which recovered rapidly in the last decade and reached 92,100,000 acres in 1931, has been somewhat lower in the last three years. It amounted to 85,500,000 acres in 1932 and 82,100,000 in 1933. The harvested area for the current season is not available but the sown area is indicated to be about the same as in 1932, 89,000,000 acres. Most of the increase constituted a recovery to pre-war levels, furthermore the increase in Russian wheat production which has accompanied the extension of acreage, has been absorbed largely within Russia, and has had relatively little effect on world markets as compared with the effect that a similar increase in another

exporting country would have had.

United States acreage for 1935 1/

The acreage of winter wheat seeded in the fall of 1934 for harvest in 1935 is estimated at 44,306,000 acres by the December Government Crop Reporting Board. This is 5.9 percent more than the revised estimate of acreage seeded in the fall of 1933 of 41,850,000 acres and 3.8 percent more than the revised estimate of acreage seeded in the fall of 1932 of 42,669,000 acres. An increase of about six percent over the 1933 seedings is shown in the important winter wheat States of the Great Plains area. In the 1934 drought area, where forage and pasture were severely reduced by drought in 1934, some of the increase in fall seeding is probably attributable to seeding for fall and winter pasture. In some of the States in which both winter and spring wheat are seeded in the same general areas, there appears to be a tendency to expand winter wheat acreage, which, if carried through the winter, would lead to a reduction in spring wheat seedings in the spring of 1935.

The condition of winter wheat on December 1 was reported at 77.8 percent of normal compared with a condition of 74.3 percent on the same date in 1933 and the 10-year (1923-1932) average December 1 condition of 82.4 percent. While conditions have been favorable east of the Mississippi River and in the more eastern part of the Great Plains States, dry soil conditions still continue in the western part of these States from Kansas to Texas. The condition of the crop on December 1 indicates that abandonment of winter wheat will again be above average. Based upon past relationships, it appears that the abandonment of the 1934 seedings will be in the neighborhood of 18 percent. Abandonment of the 1933 seedings was 21.3 percent and the 10-year (1922-1931) average abandonment is 12.2 percent. A comparatively low yield per acre is also indicated by the condition and corollary weather studies which indicate a winter wheat production to be harvested in 1935 of about 475,000,000 bushels. The 1933 crop was 405,-034,000 bushels, and the 5-year (1927-1931) average production was 632,-061,000 bushels.

Last year contract signers were required to reduce their acreage 15 percent as compared with the acreage planted in the base period, while only a 10 percent reduction from the base period acreage is being required this coming year. The estimated sowings of spring wheat last year amounted to 18,500,000 acres. Of course, the actual acreage seeded will depend in part upon planting conditions. It is also to be borne in mind that some of the increase in winter wheat may be at the expense of spring wheat in regions where both are grown in which case the permitted increase in spring wheat would not have the significance suggested above.

The production for next year, however, will depend largely upon yields. The spring wheat area remains deficient in moisture and it is much too early to estimate at this time what might be expected in the way of yields. Unless yields are extremely low, however, the increased acreage might result in a production of spring wheat which, together with the fore-

1/ This section written following the release of the December Government Crop Report.

casted outturn of winter wheat, might result in a total production large enough to provide some surplus for export. If there are no special measures, such as government aid to exports and storage, to relieve its pressure on the market, a surplus would probably result in prices in the United States, both west and east of the Rockies, being on an export basis at least some time during the year and perhaps in an average level of prices not much above an export basis.

Wheat prices

Under normal conditions the spread between United States prices and world prices is closely related to the quantity of wheat the United States exports. Over short periods the quantity exported is determined primarily by the price spread, whereas over long periods the quantity that needs to be exported largely determines how high United States prices are, compared with world prices - the larger the surplus the lower the United States price. In almost every year, prices in some regions of the United States are on an export basis, for at least a part of the year, and this usually means that Chicago prices must be about 10 to 20 cents per bushel (assuming present day freight rates) below Liverpool during such periods. In exceptional years such as 1925-26, 1930-31, 1933-34, and thus far during the current year, United States prices have been far above an export basis throughout a large part or all of the year.

In 1925-26 this fact was due to the extremely short crop of United States Winter Wheat harvested that year. During the latter half of 1930-31 it was due primarily to the operations of the Grain Stabilization Corporation. In 1933-34 relatively high United States prices were due partly to the very short crop of wheat, a crop which was below domestic consumption by about 75,000,000 bushels, but this influence was reinforced by prospective acreage reduction under the Agricultural Adjustment program and by the governmental aid given to exporting in the Pacific Northwest. During July 1933 the expectation of further depreciation of the dollar was also an important contributing factor. In the current season, production in the United States was even smaller than in 1933, and with a smaller carryover at the beginning of the year prospects are that the United States carryover as of July 1, 1935, will be reduced to about a normal level, even though some durum and hard red spring wheats are imported. In consequence of these short supplies, United States prices have been held at a level little below an import basis for non-premium wheats.

Prices of wheat in the unprotected markets of the world began to fall rapidly in the latter half of 1929, and continued to do so with little interruption until the late summer of 1931. In Great Britain prices advanced rapidly in the fall of 1931 as a result of the depreciation of the pound sterling, but in terms of the currencies of gold-standard countries prices declined somewhat further in the two following years and reached their lowest levels in the spring of 1934. There was some improvement during the late spring and summer months, but Liverpool futures in terms of our former gold dollar are now a little less than 50 cents per bushel. The rise that has taken place in Liverpool prices since the beginning of 1933, when converted to terms of United States currency, has been due primarily to the depreciation of the dollar.

Even as there has been but little improvement in world wheat prices when measured in terms of gold there has been but little improvement in the world wheat situation. The pressure of surplus stocks has been considerably relieved by two successive years of low yields in the United States and Canada, but acreage sown for the world, excluding Russia, and China, has declined but little. Decreases of the wheat area in the United States, and to a lesser extent in Canada, Argentina, and Australia, have been largely offset by increases in Europe, and import barriers against wheat remain very high in most continental European countries. Further improvement in the world wheat situation may be expected, but it will presumably be slow as will also the further recovery of world prices.

II. Accompanying tables

1. Table I - Wheat Adjustment Program - Number of farms growing wheat, number contracts approved, official seeded acreage, percent of sign-up, base acreage under contract, official production, farm allotment on contracts, estimated 1933 and 1934 adjustment payments.

2. Table II - Estimated contracted acres of wheat by states.

3. Table III - Wheat - United States: 1923-34 - Acres sown, acres harvested, percent abandoned, yield, and production.

4. Table IV - Wheat - World Supply, Price and Disappearance, 1921-22 to 1934-35.

5. Table V - Import duties on wheat in selected foreign countries.

III. Charts

1. How funds from wheat processing tax were used 1933-34

TABLE I

WHEAT PROGRAM: NUMBER OF FARMS AND ACREAGE UNDER CONTRACT
FARM ALLOTMENTS AND ADJUSTMENT PAYMENTS BY
STATES
1933 and 1934

	Number of Farms growing Wheat in 1929 1/	Number of Contracts Approved 2/	Acreage Seeded by All Growers 1930-1932 3/	% of Average Acreage Under Contract 4/	Base Acreage Under Contract 4/	Average Production of all growers 1928-1932 3/	Farm Allotment on contracts 2/	Estimated 1933 Adjustment Payments 5/	Estimated 1934 Adjustment Payments 5/
	Farms	Contracts	1000 Acres	Percent	1000 Acres	1000 Bushels	1000 Bushels	1000 Dollars	1000 Dollars
Maine	554		2			51			
New Hampshire	10								
Vermont	170		1			15			
Massachusetts	38								
Rhode Island	4								
Connecticut	51								
New York	24,931	589	220	6	12	4,411	159	44	46
New Jersey	4,836	192	50	7	4	1,157	43	11	12
Pennsylvania	84,496	3,417	955	9	90	17,387	902	254	262
Ohio	97,387	23,811	1,745	35	613	30,480	6,048	1,718	1,754
Indiana	65,187	24,027	1,652	45	746	26,522	6,892	1,882	1,999
Illinois	66,836	23,937	1,971	51	999	32,533	9,302	2,492	2,698
Michigan	63,581	13,978	719	34	245	15,523	3,042	828	882
Wisconsin	24,072	1,197	101	13	13	1,869	141	39	41
Minnesota	55,752	21,635	1,368	61	839	20,946	6,715	1,850	1,947
Iowa	18,998	3,699	369	39	143	7,445	1,739	431	504
Missouri	50,166	16,110	1,536	45	695	20,362	5,829	1,534	1,690
North Dakota	68,689	103,587	10,368	94	9,904	102,903	51,634	14,677	14,974
South Dakota	41,300	49,467	3,895	90	3,516	37,632	18,160	5,127	5,266
Nebraska	54,949	33,873	3,674	72	2,646	56,538	21,395	5,944	6,205
Kansas	88,320	93,900	13,516	89	12,088	177,431	85,376	24,398	24,759
Delaware	4,127	687	94	39	37	1,800	384	110	111
Maryland	19,378	7,739	439	66	289	8,648	2,866	796	831
Virginia	59,390	7,636	601	35	210	9,220	1,964	539	570
West Virginia	9,999	971	113	28	32	1,643	274	76	79
North Carolina	49,070	1,057	334	6	22	3,653	189	53	55
South Carolina	14,063		57			575			
Georgia	10,064	31	52	7	4	510	30	8	9
Florida									
Kentucky	12,553	3,964	259	54	139	3,002	933	249	271
Tennessee	21,804	2,268	249	28	71	2,918	473	128	137
Alabama			4			34			
Mississippi	12					3			
Arkansas	1,048	41	30	6	2	247	10	3	3
Louisiana	5								
Oklahoma	38,688	28,919	4,533	78	3,524	54,352	23,987	6,840	6,956
Texas	23,058	14,383	4,346	84	3,658	41,083	18,965	5,422	5,500
Montana	29,143	38,898	4,446	94	4,336	45,168	22,747	6,331	6,597
Idaho	23,318	14,688	1,174	84	981	27,488	12,176	3,399	3,531
Wyoming	5,965	2,282	360	67	243	3,753	1,563	407	453
Colorado	18,856	11,794	1,755	83	1,452	17,111	7,680	2,142	2,227
New Mexico	6,922	1,682	480	81	388	4,148	1,793	497	520
Arizona	960	114	28	22	6	602	76	21	22
Utah	13,038	5,623	272	75	206	5,554	2,369	660	687
Nevada	858	302	15	57	8	378	112	30	32
Washington	14,690	11,472	2,471	79	1,943	42,882	20,219	5,802	5,864
Oregon	15,657	7,055	1,027	83	853	21,205	9,427	2,662	2,734
California	5,098	2,229	677	66	444	11,046	4,414	1,196	1,280
Not Allocated							317		92
United States	1,208,091	577,254	65,958	78	51,401	860,228	350,345	98,600	101,600

1/ Bureau of the Census, 1930
2/ From Records of Wheat Section as of October 16, 1934
3/ From Data of Division of Crop and Livestock Estimates, Bureau of Agricultural Economics
4/ Acreage included in contracts accepted, as to October 16, 1934
5/ Based on payments of 29 cents a bushel on farm allotments

TABLE II

Estimated Contracted Acres of Wheat by States
For Harvest in 1934

STATE	WHEAT Contract Acres	STATE	WHEAT Contract Acres
Maine	-	North Carolina	3,263
New Hampshire	-	South Carolina	-
Vermont	-	Georgia	567
Massachusetts	-	Florida	-
Rhode Island	-	Kentucky	20,751
Connecticut	-	Tennessee	10,636
New York	1,855	Alabama	-
New Jersey	534	Mississippi	-
Pennsylvania	13,415	Arkansas	268
Ohio	91,951	Louisiana	-
Indiana	112,014	Oklahoma	528,711
Illinois	149,838	Texas	551,128
Michigan	36,753	Montana	647,524
Wisconsin	2,059	Idaho	146,703
Minnesota	126,678	Wyoming	36,677
Iowa	21,013	Colorado	218,586
Missouri	104,411	New Mexico	57,986
North Dakota	1,487,876	Arizona	923
South Dakota	526,702	Utah	30,963
Nebraska	395,940	Nevada	1,277
Kansas	1,812,979	Washington	290,625
Delaware	5,509	Oregon	126,891
Maryland	43,486	California	65,865
Virginia	31,536	Porto Rico	-
West Virginia	4,809		

TOTAL - 7,708,702

TABLE III

WHEAT - United States; 1923-1934 1/
November 5, 1934
Acres sown, acres harvested, percent abandoned, yield and production

CROP HARVESTED IN -	ACREAGE		ABANDONED	YIELD ON		PRODUCTION
	SOWN 1000 Acres	HARVESTED 1000 Acres	%	SEEDED ACREAGE	HARVESTED ACREAGE	1000 Bu.
				Bu.	Bu.	
			DURUM WHEAT			
1923		4,064			9.6	38,961
1924		3,674			16.1	59,114
1925		4,158			14.0	58,010
1926	4,882	4,577	6.2	8.7	9.3	42,469
1927	5,478	5,445	0.6	14.3	14.4	78,359
1928	6,884	6,804	1.2	13.9	14.1	95,802
1929	5,772	5,571	3.5	9.5	9.8	54,710
1930	4,836	4,745	1.9	11.9	12.2	57,719
1931	4,093	2,960	27.7	5.1	7.0	20,712
1932	4,187	3,946	5.8	9.7	10.3	40,600
1933	3,140	2,310	26.4	5.3	7.2	16,737
1934	2,046	990	51.6	3.5	7.2	7,086
			OTHER SPRING WHEAT			
1923		14,144			11.7	165,222
1924		13,371			15.7	209,419
1925		16,321			12.9	210,016
1926	15,483	14,642	5.4	10.3	10.9	159,125
1927	16,037	15,988	0.3	15.5	15.6	248,708
1928	15,822	15,569	1.6	15.2	15.4	239,742
1929	17,097	16,561	3.1	10.6	11.0	181,415
1930	17,427	16,983	2.5	11.5	11.8	200,778
1931	16,285	11,063	32.1	5.7	8.5	93,547
1932	18,457	17,952	2.7	12.3	12.6	226,897
1933	21,160	17,115	19.1	7.6	9.4	161,446
1934	16,475	8,300	49.6	5.5	10.2	84,349

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TABLE III (Continued)

CROP HARVESTED IN-	ACREAGE		ABANDONED	YIELD ON		PRODUCTION
	SOWN 1000 Acres	HARVESTED 1000 Acres	%	SEEDED ACREAGE	HARVESTED ACREAGE	1000 Bu.
				Bu.	Bu.	
			ALL SPRING WHEAT			
1923	19,102	18,208	4.7	10.7	11.2	204,183
1924	17,068	17,045	0.1	15.7	15.8	268,533
1925	20,816	20,479	1.6	12.9	13.1	268,026
1926	20,365	19,219	5.6	9.9	10.5	201,594
1927	21,515	21,433	0.4	15.2	15.3	327,067
1928	22,706	22,373	1.5	14.8	15.0	335,544
1929	22,869	22,132	3.2	10.3	10.7	236,125
1930	22,263	21,728	2.4	11.6	11.9	258,497
1931	20,378	14,023	31.2	5.6	8.1	114.259
1932	22,644	21,898	3.3	11.8	12.2	267,497
1933	24,300	19,425	20.1	7.3	9.2	178,183
1934	18,521	9,290	49.8	4.9	9.8	91,435
			WINTER WHEAT			
1923	45,408	38,712	14.7	12.2	14.3	555,299
1924	38,635	35,415	8.3	14.8	16.1	571,558
1925	40,920	31,962	21.9	9.8	12.5	401,116
1926	40,603	37,596	7.4	15.6	16.8	631,950
1927	44,134	38,195	13,5	12.4	14.3	547,666
1928	48,431	36,853	23,9	11.9	15.7	577,417
1929	43,918	41,188	6.2	13.3	14.2	586,055
1930	44,971	40,933	9.0	14.0	15.4	631,205
1931	45,240	43,080	4.8	18.1	19.0	817,962
1932	42,283	35,216	16.7	11.3	13.6	478,291
1933	42,669	28,485	33.2	8.2	12.3	350,792
1934	41,850	32,945	21.3	9.7	12.3	405,034

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TABLE III (Continued)

CROP HARVESTED IN	ACREAGE SOWN 1000 Acres	ACREAGE HARVESTED 1000 Acres	ABANDONED %	YIELD ON SEEDED ACREAGE Bu.	YIELD ON HARVESTED ACREAGE Bu.	PRODUCTION 1000 Bu.
			ALL WHEAT			
1923	64,510	56,920	11.8	11.8	13.3	759,482
1924	55,703	52,460	5.8	15.1	16.0	840,091
1925	61,736	52,441	15.1	10.8	12.8	669,142
1926	60,968	56,815	6.8	13.7	14.7	833,554
1927	65,649	59,628	9.2	13.3	14.7	874,733
1928	71,137	59,226	16.7	12.8	15.4	912,961
1929	66,787	63,320	5.2	12.3	13.0	822,180
1930	67,234	62,661	6.8	13.2	14.2	889,702
1931	65,618	57,103	13.0	14.2	16.3	932,221
1932	64,927	57,114	12.0	11.5	13.1	745,788
1933	66,969	47,910	28.5	7.9	11.0	528,975
1934	60,371	42,235	30.0	8.2	11.8	496,469

1/ Bureau of Agricultural Economics

TABLE IV

Wheat: World Supply, Price and Disappearance
1921-22 to 1934-35

January 1, 1935

Year	Production						
	United States	Canada	Argentina	Australia	Europe 1/	All Other 2/	World Production 2/
	Million Bu.	Million Bu.	Million Bu.	Million Bu.	Million Bu.	Million Bu.	Million Bu.
1921-22	819	301	191	129	1,224	515	3,179
1922-23	847	400	196	109	1,045	606	3,203
1923-24	759	474	248	125	1,257	656	3,519
1924-25	840	262	191	165	1,058	610	3,126
1925-26	669	395	191	115	1,397	613	3,380
1926-27	834	407	230	161	1,216	647	3,495
1927-28	875	480	282	118	1,274	642	3,671
1928-29	913	567	349	160	1,410	594	3,993
1929-30	822	305	163	127	1,451	703	3,571
1930-31	890	421	232	214	1,360	733	3,850
1931-32 3/	932	321	220	191	1,436	754	3,854
1932-33 3/	746	443	241	214	1,492	675	3,811
1933-34 3/	529	270	286	175	1,748	731	3,739
1934-35 3/	496	275	252	137	1,516	744	3,420

Year	Shipments from Russia	4/ Stocks accounted for July 1	Total Supply	Total disappearance	British Parcels (simple average)	Average Price per bushel: No. 2 Hard Winter at Kansas City (weighted average)
	Million Bu.	Million Bu.	Million Bu.	Million Bu.	Cents	Cents
1921-22	5/	309	3,488	3,195		120
1922-23	1	293	3,497	3,185	136	113
1923-24	21	312	3,852	3,505	121	105
1924-25	6/	347	3,473	3,191	179	135
1925-26	27	282	3,689	3,401	170	163
1926-27	49	288	3,832	3,496	164	135
1927-28	5	336	4,012	3,590	154	135
1928-29	6/	422	4,415	3,798	129	112
1929-30	7	617	4,195	3,612	131	120
1930-31	112	583	4,545	3,877	80	76
1931-32 3/	72	668	4,594	3,898	59	47
1932-33 3/	19	696	4,526	3,737	54	51
1933-34 3/	34	789	4,562	3,810	69	88
1934-35 3/		752				

1/ Excludes Russia. 2/ Excludes Russia and China. 3/ Preliminary. 4/ Estimates of stocks represent carry-over in the United States and supplies available for export and carry-over in Argentina, Australia, and Canada, the United Kingdom port stocks and supplies afloat. 5/ Not available. 6/ Less than 500,000 Bushels.

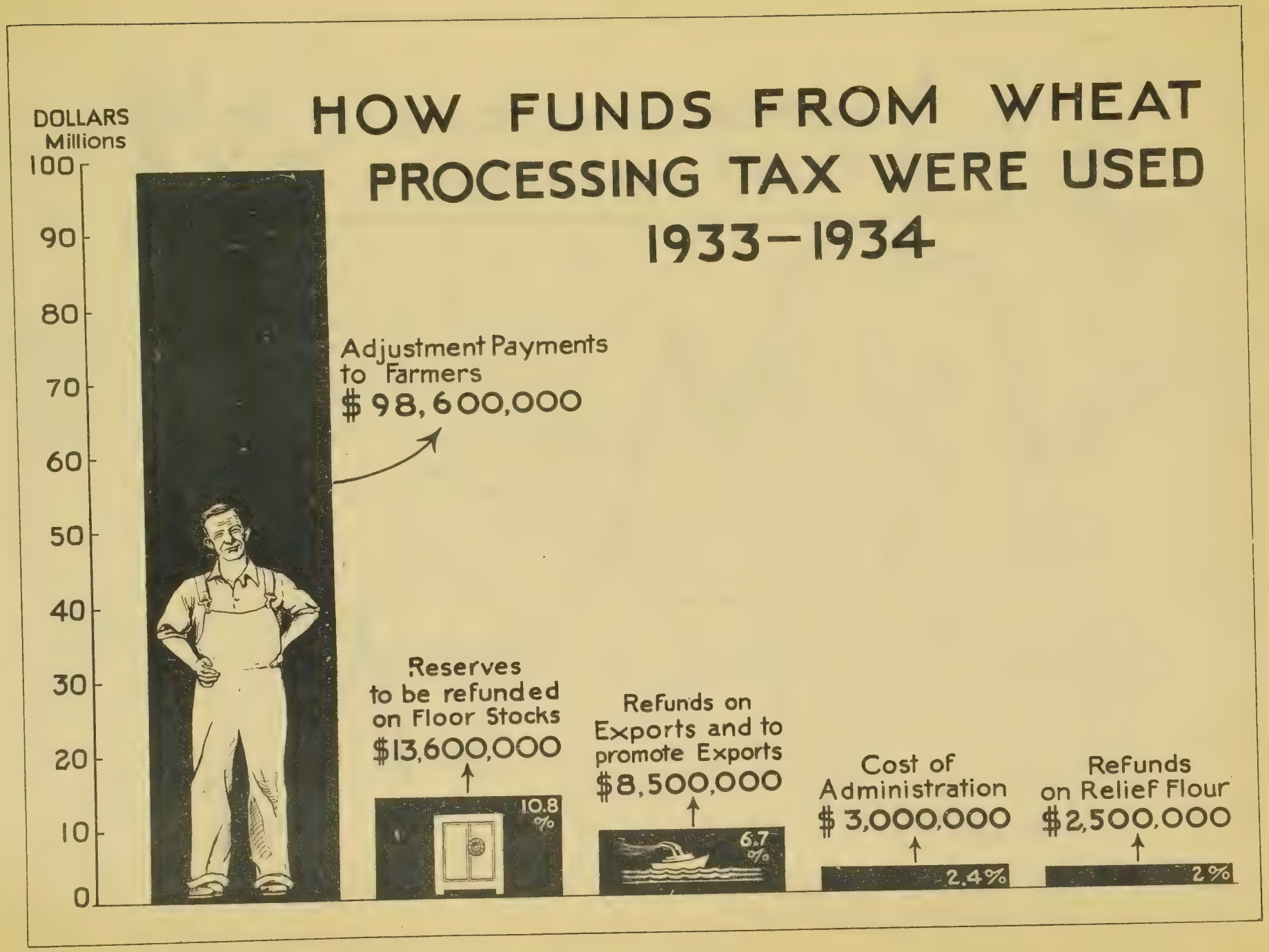
SOURCE: World Wheat Prospects, December, 1934, Mimeograph pamphlet, United States Department of Agriculture, Bureau of Agricultural Economics, as revised by Bureau of Agricultural Economics.

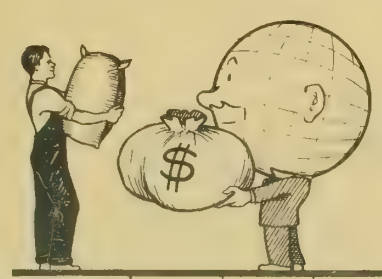
TABLE V

Import Duties on Wheat in Selected Foreign Countries

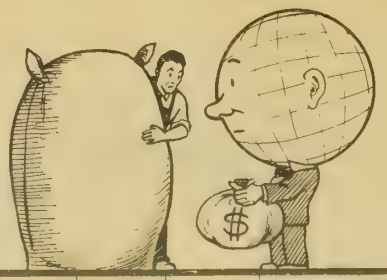
GERMANY		ITALY		FRANCE	
Dates	Amt. Cents Per Bus.	Dates	Amt. Cents per Bus.	Dates	Amt. Cents Per Bus.
1913-Jan.1 to 1914-Aug.4	35.7 Free	1915-Jan.31 to 1925-July 24	Free	1910-April 1 1921-July 4	36.8 30.5
1925-Sept.1	22.7	1925-July 24	39.4	1926-April 6	17.2
1926-Aug. 1	32.4	1928-Sept.13	57.8	1927-Jan.1 Sept.3 Nov.18	19.6 26.7 37.4
1929-July 10	42.1	1929-May 24	73.5		
1930: Feb.11 Mar.27 Apr.25 Sept.28 Oct. 26	61.6 77.8 97.2 119.9 162.1	1930-June 5 1931-Aug. 19 1934-Nov.	86.7 107.4 174.0*	1929-May 24 1930-May 22 1934-Aug.16	53.3 85.4 149.2*
1934: Oct.21 Oct.22	275.1 383.1				

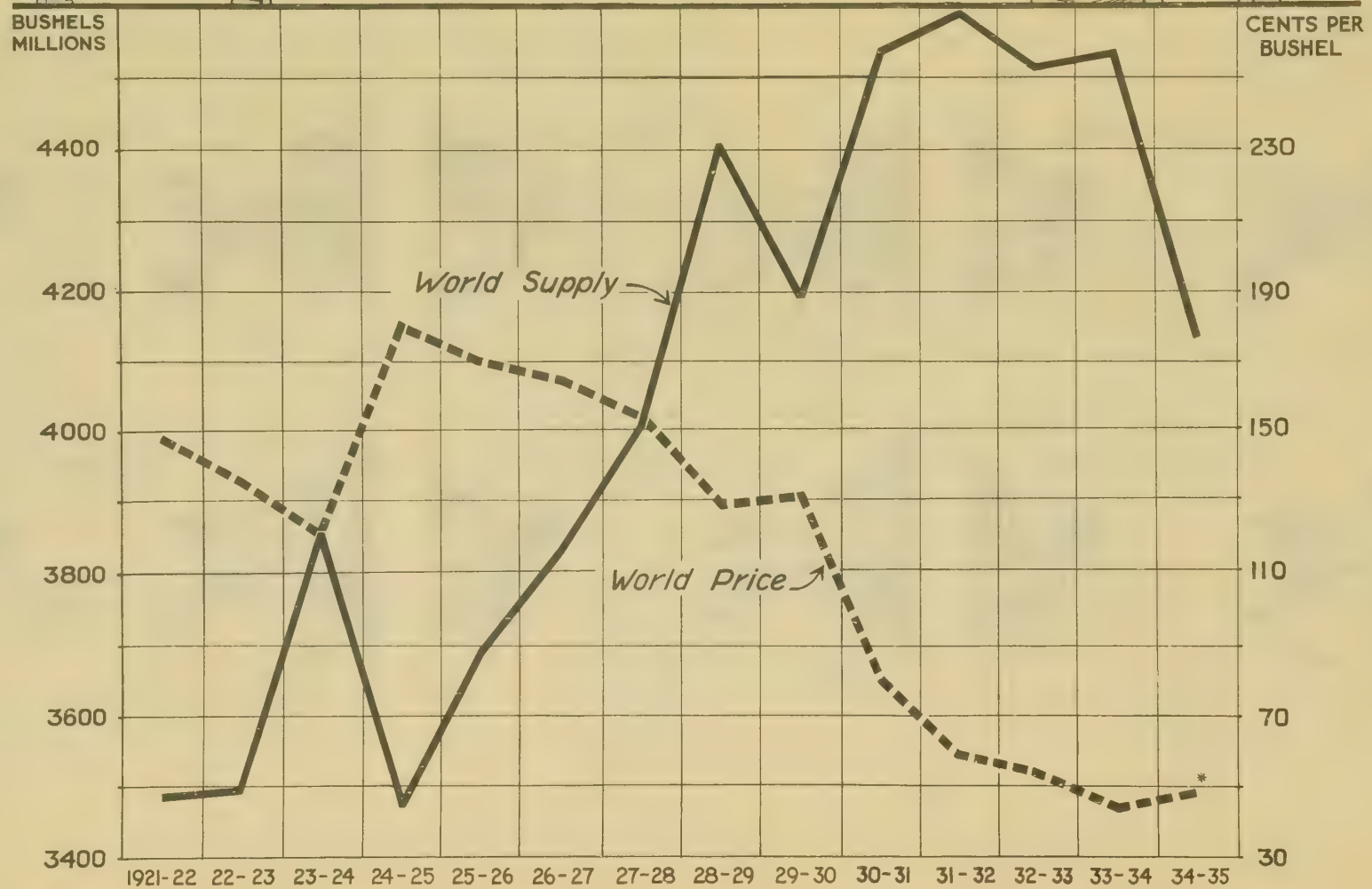
* On basis of average exchange for November, 1934


HOW FUNDS FROM WHEAT PROCESSING TAX WERE USED 1933–1934
DOLLARS Millions
100
90
80
70
60
50
40
30
20
10
0
Adjustment Payments to Farmers $98,600,000
Reserves to be refunded on Floor Stocks $13,600,000
10.8 %
Refunds on Exports and to promote Exports $8,500,000
6.7 %
Cost of Administration $3,000,000
2.4%
Refunds on Relief Flour $2,500,000
2%



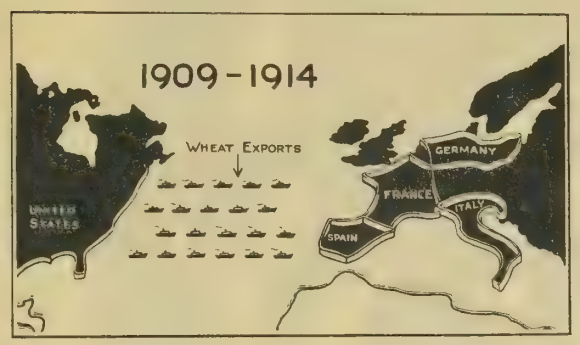
Large Wheat Supplies Bring Low Prices

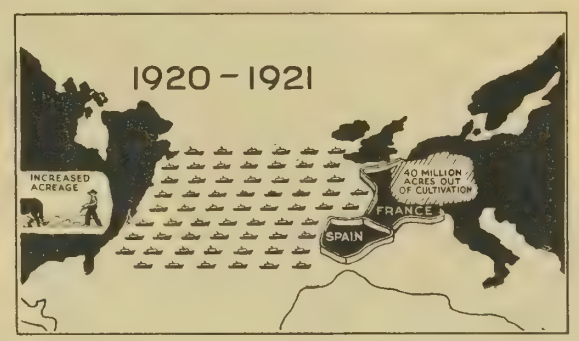


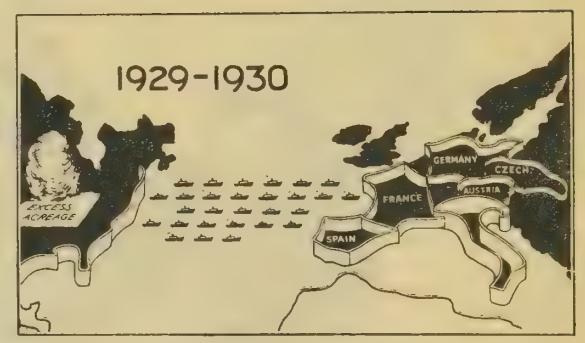


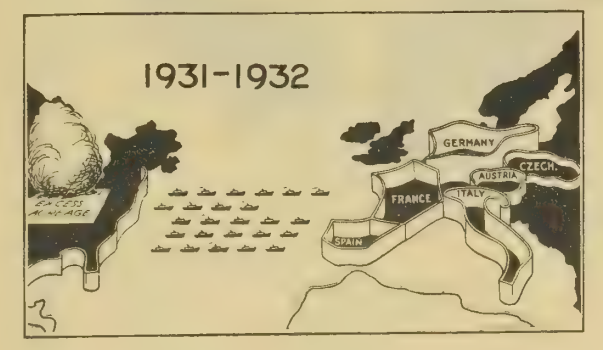
* Average, July 1 to Nov. 30, 1934, in terms of gold

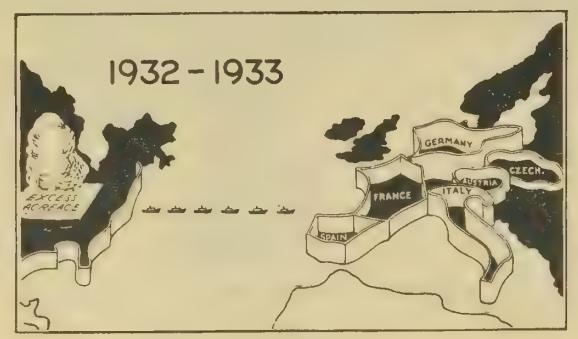
STILL FENCED OUT: WHY WE MUST CONTINUE TO CONTROL PRODUCTION

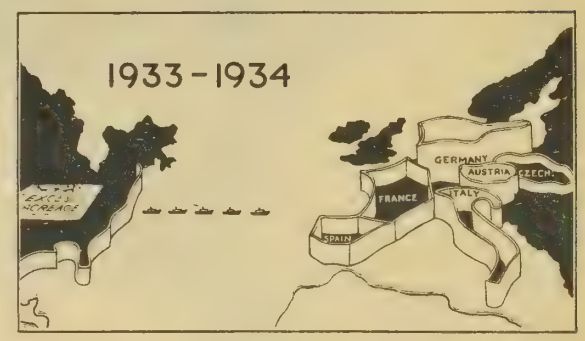




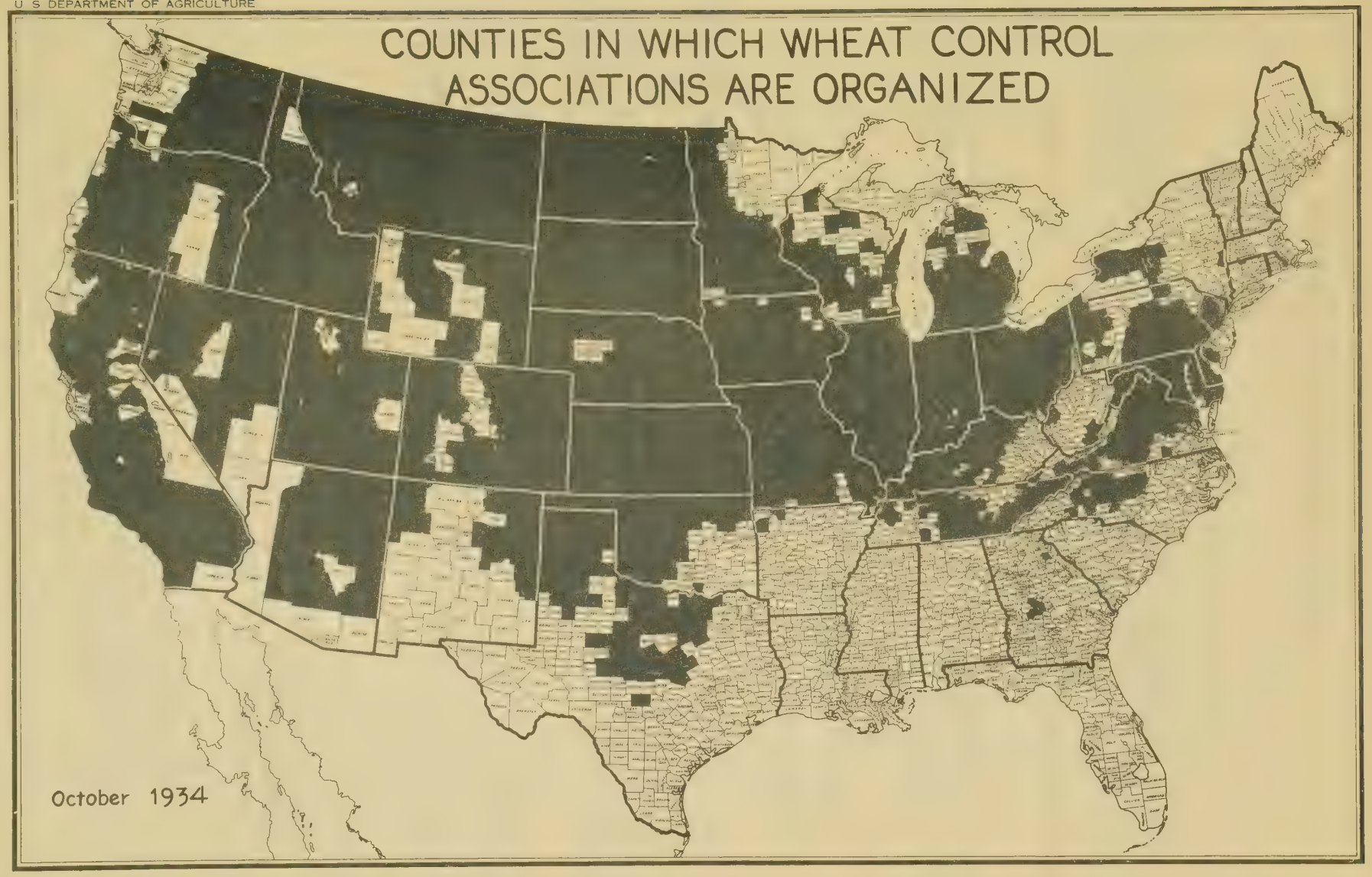








U S DEPARTMENT OF AGRICULTURE



2. Large wheat supplies bring low prices

3. Still fenced out

4. Counties in which wheat control associations are organized

IV. Mimeographed publication - "World Wheat Prospects," Bureau of Agricultural Economics, U.S.D.A. Teachers in communities wherein wheat production is important should be on the mailing list for this publication.

V. Current issues of "The Agricultural Situation" and "Crops and Markets."

VI. Agricultural Adjustment - A report of administration of the Agricultural Adjustment Act, May 1933 to February 1934, Pages 43-68. Series G-8. Copies were forwarded to all teachers of vocational agriculture early in 1934.

VII. W-15 U.S.D.A. - Agricultural Adjustment Administration

Handbook of organization and instructions for applying the agricultural adjustment act to wheat.

PROCEDURE AND EXPECTED OUTCOMES

I. The wheat adjustment program. Up to this point little mention has been made of the wheat adjustment program. In summarizing the factors influencing the wheat situation it is important that the operation of the wheat adjustment program should be studied in detail.

In order for the teacher to have a good command of the situation, the teacher should familiarize himself with the publications listed under VI and VII of Materials and Sources. The teacher should also be alert to secure any published material of recent date prepared by the wheat section of the A.A.A. or other agencies.

1. Information concerning the wheat programs

A. Select from Tables I and II of Materials and Sources information that will be of interest to the group of farmers, i.e., data for State and United States may be placed upon the blackboard.

Use this information to develop an understanding of the size and characteristics of the wheat program. If questions arise as to how allotments and acreages were arrived at or other details are questioned, refer to No. VII of Materials and Sources.

B. Present to the group the Chart No. III-4 of Materials and Sources to aid in further developing an appreciation of the wheat control program.

2. How were the funds from the wheat processing tax used?

To answer this question have the farmers use Chart No. III-1 as listed in Materials and Sources.

3. What was the effect of the benefit payments upon the cash income of those cooperating in the wheat program?

4. What has been the influence of the wheat program in controlling production and influencing prices?

As an aid in answering this question copy upon the blackboard information selected from Table IV, Materials and Sources. From the section of the table dealing with "All Wheat" the following figures are particularly significant:

YEAR	ACRES SOWN 1000 Acres	ACRES HARVESTED 1000 Acres	ABANDONED %	YIELD ON HARVESTED ACRES	PRODUCTION 1000 Bu.
1933	66,969	47,910	28.5	11.0	528,975
1934	60,371	42,235	30.0	11.8	496,469

It may be brought out that the adjustment program had a direct influence upon the acreage sown to wheat. From Table I, Materials and Sources, it may be observed that the acreage reduction called for under the 1934 provisions of the wheat contracts (15% of base) was 7,710,207 acres. From Table III it will be observed that in 1934 7,708,702 constituted the actual wheat acreage under contract. This accounts very closely for the difference in acreage between 1933 and 1934.

The adjustment program accounts directly for the reduction in acreage. The influence of the drought and other adverse factors is indicated by the percent of abandonment and the yield per acre for acres harvested.

After such information about the wheat program has been presented, attention may be turned to specific questions involving the wheat outlook for 1935.

II. What is the outlook for the United States production of wheat for 1935?

This question may well be written upon the blackboard.

Note: It must be made clear that the following computations are not actual predictions in the sense that forecasts crop production are made, but merely estimates of what may be the outcome when assumptions are made.

As a basis for understanding the general problem, the teacher should read carefully No. 1 of Materials and Sources.

On the basis of December 1 conditions, a winter wheat production to be harvested in 1935 was indicated at about 475,000,000 bushels. Conditions following December 1 will of course change the December estimate.

Assuming roughly that spring wheat plantings this spring might result in a 10 percent reduction as compared with a 15 percent reduction last year, it would mean about 19,600,000 acres of spring wheat might be planted. (Seeded spring wheat acreage in base period averaged 21,762,000 acres; in 1934 it amounted to about 18,521,000 acres.) Note: Acreage actually uncertain as indicated in reference.

Spring wheat yields on the basis of seeded acreage for the 10-year period, 1923 to 1932 were 11.85 bushels; (average abandonment was 5.4 percent and yields on the basis of harvested acreage 12.38 bushels.) Note: Yields for 1935 spring wheat production actually not predictable this early.

19,600,000 acres yielding an average of 11.85 bushels would produce 232,000,000 bushels of spring wheat. 475,000,000 bushels of winter wheat plus 232,000,000 bushels of spring wheat totals 707,000,000 bushels.

III. What is the relationship between such a possible production and the need for wheat in the United States?

707,000,000	Calculated possible production
625,000,000	Estimated probable domestic utilization of wheat for year. (See Table IV - Unit 5)
82,000,000	Surplus for carryover and export trade

Note: As mentioned above, these figures must be taken only as broad approximations.

IV. What are the possibilities for export trade in wheat?

When farmers have used the above means of analyzing the outlook for wheat production in 1935, it will be readily recognized that the possibility of export trade in wheat might be a factor in the price situation during the coming year.

As an introduction to the analysis of the export situation, present data from Table VI and the chart - Wheat, Difference between Chicago and Liverpool prices - the latter from Materials and Sources, Unit No. 5. With these facts before the farmers discuss the relationship between the U. S. and Liverpool prices for wheat.

Some of the significant items to be considered are:

1. Since July 1933 to the present date (December 1934) the Chicago price for wheat has been between 10 and 25 cents above Liverpool. The United States is not on an export basis as revealed by the relationship between the U. S. prices for wheat and the Liverpool price and the small volume of export trade in wheat. (The current issue of "The Agricultural Situation" may be used to show the trend of exports.)

2. The present price of wheat in the United States is a reflection of conditions that have caused two successive relatively small crops of wheat and a resulting greatly reduced carryover. Our tariff on wheat prevents our prices falling to the level of exporting countries when we are not on an export basis.

3. What would happen to U. S. prices if the 1935 production caused us to be upon an export basis?

   In order for an export trade of wheat to be carried on, Chicago prices must be about ten to twenty cents per bushel (depending upon freight rates) below Liverpool prices.

   If the United States goes upon an export basis for wheat, then the price for wheat in the United States is upon a world basis and the outlook for the price of wheat depends upon the world wheat situation.

4. What is the world outlook for wheat?

   Some facts taken from No. 1, Table VI, Materials and Sources, are as follows:

	AVERAGE 1921-22 to 1925-26	1930-31	1931-32	1932-33	1933-34	1934-35
Estimated world total acreage excluding Russia and China - 1000 Acres	226,500	259,800	253,500	258,900	248,500	
Estimated world production excluding Russia and China - Million Bu.	3,281	3,850	3,854	3,811	3,739	3,420
World Total Supply	3,600	4,545	4,594	4,526	4,562	
Total Disappearance	3,295	3,877	3,898	3,737	3,810	
Average price per bu. "British Parcels" - Cts.	1/ 152	131	80	54	69	

1/ Four Year Average, 1922-23 to 1925-26

An analysis of the above facts reveals that the world price for wheat, unless something very unusual should happen, cannot be expected to rise to any great extent because world supplies of wheat are rather high.

Use the chart - Large Wheat Supplies Bring Low Prices

5. What is the relationship of the tariff restrictions placed by foreign countries upon imports of wheat to the possible development of export trade in wheat by the United States?

From Table VI, Materials and Sources, present data showing the tariff rates on wheat for selected foreign countries.

Use this question to introduce a discussion of:

A. Nationalistic policies of nations.

B. The relationship between debtor and creditor nations and export trade.

6. What is the conclusion to be drawn from an analysis of the opportunity for export trade in wheat?

The farmers, no doubt, will conclude that there is little immediate prospect of a favorable export trade situation. What improvements may be

made in terms of trade agreements, world agreements of production control, etc., may eventually mean improvement over a long period of time.

With these facts in mind, the attention of the group may be turned to another question:

V. What is the prospect for an increased consumption or utilization of wheat within the United States?

As a means of helping to answer this question refer to Table IV, Materials and Sources, Unit 5. Place before the group the data concerning the per capita disappearance of wheat and flour. The following question may then be introduced:

> What factors affect the domestic consumption of wheat?

This question affords an opportunity to develop an understanding of the factors affecting the consumption of wheat in the United States. Attention should be called to the changes in per capita disappearance of wheat for food, feed, and loss in the United States. A discussion of this is found in World Wheat Prospects for September 1934 published by the Bureau of Agricultural Economics. An excerpt from this publication follows:

United States Wheat Flour Supply and Distribution

There appears to be a slight downward trend in the per capita consumption of wheat flour of the United States, but total flour consumption for the country has apparently been maintained or even somewhat increased during the past 10 years. The decline in the apparent consumption of flour per capita is very much less rapid than that which occurred during the war years. Just before the war flour disappearance in the United States was slightly over 1 barrel per capita, and during and immediately after the war it declined to approximately .9 of a barrel. There was a slight increase during the early 1920's but subsequently a very gradual decline appears to have set in, and at the present time normal per capita consumption appears to be .87 or .88 barrels.

The disappearance of wheat flour during 1933-34 was considerably smaller than in any other of the past 10 years and slightly smaller than in 1923-24. The disappearance, however, probably was less than the actual consumption for 1933-34 because unreported flour stocks which had been built up prior to the advent of the processing tax appear to have been reduced during the year. On a per capita basis the apparent consumption (disappearance) was smaller than for any previous year for which data are available, amounting to only .81 barrel per capita, compared with an average of .90 barrel for the preceding 10 years. Actual flour consumption during the year was probably about .86 barrel per capita.

Detailed figures of the supply and distribution of flour are given in the two accompanying tables. Table 6 shows figures for the census years

1879 to 1931 inclusive. From this table it will be noted that in 1879 the disappearance of flour was approximately 1.16 barrels per capita. There was a gradual decline to 1.15 in 1889 and 1.13 barrels in 1899. In 1909 per capita consumption was only 1.07 barrels - a somewhat more rapid decline than that of the two previous decades. By 1921, however, disappearance had fallen to only .9 of a barrel per capita.

As shown by Table 6, there was more of a decline in flour disappearance from 1919 to 1921 than there was from 1909 to 1919. Other data, however, suggest that the principal decline in actual flour consumption occurred during, rather than following, the war. Flour production during 1919 was at an unusually high level, and indications point to an accumulation of stocks in unrecorded positions during that year. The result was that the disappearance into consumption and unrecorded stocks was presumably considerably larger than actual flour consumption in 1919. Probably total consumption of flour during the year was only about 100,000,000 barrels instead of 106,000,000 and the per capita consumption only about .95 barrel in place of 1.01 barrels.

Since 1923 it is possible to make fairly reliable estimates of the supply and distribution of flour by crop years. Detailed data showing these estimates for each of the crop years 1923-24 to 1933-34 inclusive are shown in Table 7. It will be seen from this table that the per capita disappearance was slightly over .90 barrel for each of the years 1923-24 to 1928-29 inclusive, whereas for each of the subsequent crop years the per capita disappearance figure has been below .90 barrel.

It is to be emphasized, however, that the year-to-year variations in the per capita disappearance cannot be relied upon as indicating similar year-to-year variations in the actual flour consumption. Flour can very readily be stored over considerable periods of time and only fragmentary data are available concerning flour stocks. The Bureau of the Census obtains fairly complete data on mill stocks of flour, and it is possible to obtain somewhat more complete estimates by making some allowance for the mills which do not report their stocks to the Bureau of the Census. This has been done in arriving at the estimates of flour stocks for 1925-26 and subsequent years. Prior to 1925-26, however, only what may be termed commercial stocks of flour, as reported by the Chicago Daily Trade Bulletin, are used. In no case do the data include stocks in the hands of retailers, and only part of the stocks of wholesalers and jobbers is included.

In most years the fragmentary nature of the stocks data does not present a serious obstable to fairly accurate estimates of flour consumption. However, when unusual circumstances affect flour stocks held by retailers and wholesalers, the disappearance figure may, as a result, be considerably different from the actual consumption. Apparently there was an unusual accumulation of flour stocks in unreported positions during the spring and early summer of 1933 prior to the application of the wheat processing tax. Flour millings were at an unusually high level during the spring of 1933 and at an unusually low level during the late summer and fall of the year, yet reported flour stocks as of July 1, 1933 were not unusually large. The accumulation of stocks in unreported positions was presumably due in part

to the attempt to avoid payments of the processing tax, but also to the fact that flour prices rose very rapidly during the spring and early summer of 1933. Under these circumstances it was natural for retailers, bakers, and householders to attempt to buy before prices rose higher.

A more detailed discussion of the evidence indicating an increase in unreported stocks prior to the beginning of the processing tax may be found in the February and March 1934 issue of World Wheat Prospects, pages 12 to 25. The same discussion includes an explanation of the method used in arriving at the flour production estimates which are included in the supply and distribution Table 7. A slight revision has been made in the estimates of flour production for the months July 1933 on. Previously it was assumed that the decline in the percentage of total merchant mill flour production represented by mills reporting monthly to the Bureau of the Census, which was in evidence from 1929 to 1931, was continuing at the same rate since 1931. The revision, however, assumes that there has been no decline since July 1933, and that for that month and subsequent months currently reported production of merchant mills represents 90 percent of the total production of all merchant mills. This has been done because available evidence suggests that the forces causing a decline in the completeness of the Bureau of the Census reports may no longer be in operation.

The most recent estimates of wheat ground and of wheat flour production by mills in the United States, monthly, from July 1923 to June 1934, are given in Tables 8 and 9. These estimates include the amount of foreign wheat milled, as well as the milling of domestic wheat. They include both the wheat ground for domestic use and that ground into flour for export. It will be noted that flour production for the 3 past crop years has been below that of most of the earlier years. This is due largely to the reduction in flour exports. With prices of wheat above an export basis during most of the past few years, it has become increasingly difficult for American millers to compete in foreign flour market except insofar as they have been able to do so by grinding Canadian wheat in bond. The result has been a decline in flour exports and in flour production in spite of the fact that total flour consumption in the United States has apparently been well maintained.

Further revision of the flour production estimates is to be expected when the results of the 1933 Census of Manufactures are available. Pending such time, however, no very satisfactory evidence is likely to be available indicating the effect of the processing tax upon flour consumption. If the estimates used in preparing Tables 6 and 7, flour supply and distribution, are correct, it would seem likely that there has been a very small decline in flour consumption in the past year which may be attributed to the processing tax, a decline amounting to perhaps 2 or 3 percent. The flour production estimates, however, can not be considered to be accurate to such a degree--pending at least the time when they can be revised in the light of the 1933 Census of Manufactures. Even then it will be very difficult to estimate total flour production satisfactorily. No census data on purely

custom flour mill production have been available since the Census of Manufactures of 1919, and estimates of custom mill production must be based upon other evidence not well suited to the purpose. Undoubtedly custom grinding of flour has been greatly increased since the processing tax was put into effect. Indeed, it had presumably increased to a considerable extent early in the depression because the percentage decline in wheat prices was much greater than in flour prices. This tended to increase the decentralization of flour milling and hence to increase the proportion of the flour output produced by small mills and the proportion produced by custom mills. With the advent of the processing tax, however, the amount of wheat ground by custom mills and by the small hand or power operated grist mills on farms or in homes has undoubtedly increased, but the extent of the increase is very uncertain.

Table 6.-Wheat flour: Supply and distribution, census years, 1879-1931

Year	Supply						Distribution					
	On hand Jan. 1 1/	Output 2/			Imports 3/	Total supply	Exports 3/	Re-exports and shipments to Alaska, Hawaii, and Porto Rico 3/	On hand Dec. 31 1/	Disappearance	Per capita disappearance 4/	
		Merchant mills	Custom mills	Total all mills								
	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	1,000 bbls.	Bbls. flour	Bush. wheat
1879	---			62,840	15	62,855	6,125	---	---	56,730	1.1556	5.43
1889	2,102			80,949	1	83,052	10,451	---	1,657	70,944	1.1484	5.40
1899	1,654	99,764	3,760	103,524	1	105,179	18,717	---	1,605	84,857	1.1345	5.33
1904	1,776	104,013	1,352	105,365	26	107,167	11,543	385	2,213	93,021	1.1261	5.29
1909	1,701	105,756	1,352	107,108	113	108,922	9,688	524	1,907	96,803	1.0674	5.02
1914	2,385	116,404	1,352	117,756	79	120,220	12,769	517	2,596	104,338	1.0655	5.01
1919	1,592	132,466	1,205	133,671	17	135,280	26,450	622	2,158	106,050	1.0100	4.75
1921	2,170	112,346	969	113,315	966	116,451	16,801	562	2,024	97,064	0.8970	4.22
1923	2,293	115,939	923	116,862	268	119,423	16,310	624	2,406	100,083	0.8973	4.22
1925	2,035	115,600	884	116,484	11	118,530	11,119	596	1,993	104,822	0.9126	4.29
1927	7,005	118,751	824	119,575	5	126,585	12,823	604	6,957	106,201	0.8985	4.22
1929	7,098	122,368	637	123,005	2	130,105	13,663	622	8,535	107,285	0.8828	4.15
1931	7,661	117,437	1,069	118,506	---	126,167	9,654	592	5,962	109,959	0.8863	4.17

1/ Chicago Daily Trade Bulletin, "World Available" supply table. 1927 to date Bureau of Census stocks included.

2/ Based on Census of Manufactures. All merchant mill figures are as reported by the Census, except that for the years 1921 to date prepared flour production of establishments not classified in the milling industry is excluded from the census totals, but included here. The figures used for the production of prepared flour outside the industry are those reported by the Census for the years 1925 to date, whereas for 1921 and 1923 they are rough estimates. Custom mill output is as given by the Census for 1909 and 1919, while for 1899 it represents the difference between all mills and merchant mills as given in the 1910 Census of Manufactures. For 1904 and 1914 the reported custom mill output of 1909 is used. For 1921 and subsequent years custom mill output is as estimated by the Bureau of Agricultural Economics (see World Wheat Prospects, No. 94-95, March 1934, pp. 12-25).

3/ Monthly Summaries of Foreign Commerce of the United States, December 1910, 1915 and 1925, and Foreign Commerce and Navigation of the United States, 1919, 1921, 1923, 1925, 1927, 1929 and 1931.

4/ Barrels of flour converted to bushels of wheat at rate of 4.7 bushels (uncleaned wheat) per barrel of flour.

Table 7.-Wheat flour: Supply and distribution, crop years, 1923-24 to 1933-34

Crop year	Supply				Distribution					
	On hand beginning of year 1/	Output 2/	Imports 3/	Total Supply	Exports 3/	Re-exports and shipment to Alaska 3/ Hawaii and Puerto Rico	On hand end of year 1/	Disappearance		
								Total	Per capita	
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	Barrels of flour	Bushels of wheat
1923-24	2,233	119,439	169	121,841	17,253	624	2,046	101,918	0.9070	4.26
1924-25	2,046	118,580	7	120,633	13,896	596	1,815	104,326	0.9149	4.30
1925-26	5,517	116,432	17	121,966	9,542	578	5,484	106,362	0.9193	4.32
1926-27	5,484	122,236	6	127,726	13,385	646	5,799	107,896	0.9193	4.32
1927-28	5,799	121,096	6	126,901	12,821	562	5,814	107,704	0.9049	4.25
1928-29	5,814	123,943	3	129,760	12,888	663	6,904	109,305	0.9056	4.26
1929-30	6,904	122,870	2	129,776	12,994	623	8,130	108,029	0.8829	4.15
1930-31	8,130	119,491	1	127,622	11,726	591	4,475	110,830	0.8965	4.21
1931-32	4,475	116,740	---	121,215	8,357	579	4,911	107,368	0.8623	4.05
1932-33	4,911	115,643	---	120,554	4,324	631	4,719	110,880	0.8856	4,16
1933-34	4,719	107,139	1	111,859	3,873	581	5,650	101,755	0.8072	3.79

1/ For 1923-24 and 1924-25 from Chicago Daily Trade Bulletin (from "World Available" supply tables); 1925-26 to date includes in addition mill stocks as estimated by Bureau of Agricultural Economics from reports of the Bureau of the Census.

2/ As estimated by the Bureau of Agricultural Economics, see "World Wheat Prospects", February and March 1934, pp. 12-25.

3/ From reports of Foreign and Domestic Commerce of the United States.

Table 8.-Wheat: Estimated total ground by merchant and custom flour mills in the United States, by months, 1923-24 to 1933-34

Season beginning July	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	10-year average 1923-24 to 1932-33
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	41,056	44,514	45,655	48,730	42,212	42,760	45,801	47,351	49,855	40.093	43,292	44,803
Aug.	50,526	51,461	48,040	52,802	48,244	51,476	54,212	51,646	48,859	46,140	35,296	50,341
Sept.	51,388	54,167	51,503	54,570	52,603	51,813	50,901	53,569	49,080	47,970	39,554	51,756
Oct.	58,014	58,668	55,757	53,832	54,364	57,019	54,011	54,197	52,318	47,866	42,898	54,609
Nov.	49,748	47,443	47,442	48,457	48,954	48,776	47,061	46,112	49,902	44,517	42,561	47,841
Dec.	43,088	45,652	46,555	44,843	46,424	45,456	44,046	44,937	41,036	42,508	38,338	44,454
Jan.	47,648	50,786	45,159	43,338	46,615	49,196	47,050	46,309	41,222	41,364	45,336	45,874
Feb.	44,592	42,527	38,563	40,276	45,289	44,343	43,530	41,351	38,871	37,126	40,932	41,647
Mar.	44,135	37,794	42,359	44,930	49,194	45,065	46,343	43,788	42,828	45,656	43,528	44,209
Apr.	40,545	34,969	39,210	41,799	42,891	42,309	45,062	42,724	41,635	47,782	38,936	41,893
May	41,657	35,841	38,517	42,742	43,858	45,761	44,539	40,382	39,219	45,388	42,135	41,790
June	41,176	39,928	41,368	42,876	39,085	43,679	43,294	39,267	39,768	44,415	39,206	41,486
Total	553,573	543,750	540,128	559,295	559,733	567,653	565,850	551,633	534,593	530,825	492,012	550,703

Division of Statistical and Historical Research. Estimates are based on monthly reports of the Bureau of the Census, the biennial censuses and Bureau of Agricultural Economics' data relating to custom milling.

Table 9.-Wheat flour: Estimated total production of merchant and custom mills in the United States, by months, 1923-24 to 1933-34

Season beginning July	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	10-year average 1923-24 to 1932-33
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
July	8,927	9,590	9,922	10,496	9,180	9,202	9,965	10,243	10,818	8,703	9,344	9,705
Aug.	11,019	11,141	10,419	11,568	10,515	11,196	11,814	11,170	10,615	10,022	7,665	10,948
Sept	11,146	11,830	11,132	11,990	11,437	11,338	11,091	11,572	10,710	10,465	8,628	11,271
Oct.	12,532	12,851	12,004	11,799	11,804	12,484	11,739	11,738	11,452	10,461	9,365	11,886
Nov.	10,721	10,374	10,204	10,602	10,613	10,667	10,217	9,976	10,901	9,731	9,292	10,400
Dec.	9,270	9,992	9,993	9,825	10,057	9,968	9,548	9,755	8,990	9,298	8,372	9,670
Jan.	10,211	11,109	9,682	9,502	10,056	10,759	10,206	10,038	9,033	9,033	9,888	9,963
Feb.	9,592	9,293	8,280	8,830	9,755	9,688	9,435	8,977	8,502	8,077	8,921	9,043
Mar.	9,496	8,271	9,228	9,825	10,611	9,873	10,050	9,511	9,386	9,935	9,481	9,619
Apr.	8,724	7,628	8,441	9,126	9,228	9,251	9,763	9,269	9,077	10,428	8,474	9,093
May	8,960	7,803	8,242	9,324	9,441	9,989	9,675	8,755	8,579	9,853	9,188	9,062
June	8,841	8,698	8,885	9,349	8,399	9,528	9,367	8,487	8,677	9,637	8,521	8,987
Total	119,439	118,580	116,432	122,236	121,096	123,943	122,870	119,491	116,740	115,643	107,139	119,647

Division of Statistical and Historical Research. Estimates are based on monthly reports of the Bureau of the Census, the biennial censuses and Bureau of Agricultural Economics' data relating to custom milling.

This phase of the problem may be summarized by asking the following question:

> Is it to be expected that our domestic utilization of wheat will rise to any large extent within the next year or two?

Compare wheat crops for years 1928 to 1932 with the greatest total domestic disappearance since 1919-20 of wheat for food, feed, and loss, namely: 684,468,000 bushels (Data from Table IX - Unit No. 5). The average or normal disappearance is 625,000,000 bushels. Large amounts for feed are dependent upon low prices.

VI. A final summary may be made of the situation by returning to the original question:

> What is the outlook for a reasonable financial return from growing wheat in the year 1935?

The question may be used to give consideration to the following:

What is the need for a control program for wheat production in the United States?

Does it appear that many acres of land heretofore used in growing wheat should be rather permanently shifted from the production of wheat?

What should be done with the acres shifted from wheat production?

How should the individual farm business be organized in the light of the general economic situation affecting agriculture and with respect to the wheat situation in particular?

This last question may be used as a direct connection to the next unit.